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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 24, 2002

APPLICATION OF

VERIZON VIRGINIA INC.

CASE NO. PUC-1999-00101

For approval of its Network Services Interconnection Tariff, S.C.C.-Va.-No. 218

ORDER FOR HEARING

By Order of October 12, 2001, the State Corporation Commission ("Commission") rejected a Joint Petition for Approval of Settlement Agreement Addressing Collocation Rates, Terms, and Conditions filed on December 21, 2000, by Verizon Virginia Inc. ("Verizon Virginia" or "the Company") on behalf of itself, AT&T Communications of Virginia, Inc. ("AT&T"), Sprint Communications Company of Virginia, Inc. ("Sprint"), and WorldCom, Inc. ("WorldCom"). Other parties to this proceeding were not parties to the settlement agreement. The October 12, 2001, Order encouraged Verizon Virginia to include all interested parties in negotiations toward settlement of disputed collocation pricing issues and non-pricing issues arising from the Company's collocation tariff.

On February 1, 2002, Verizon Virginia Inc. filed with the Commission a second Joint Petition for Approval of Settlement Agreement Governing Collocation Rates, Terms, and Conditions (the "Agreement") on behalf of itself, WorldCom, AT&T, Sprint, Broadslate Networks of Virginia, Inc., and NTELOS Network, Inc. together with R&B Networks, Inc.

Effective April 9, 2002, the new Case Management System requires that the case number format for all Commission orders change from, <u>e.g.</u>, PUE010663 to the following: PUE-2001-00663.

(collectively, "Joint Petitioners"). On March 6, 2002, the Commission entered an Order on Settlement Agreement in this matter requesting comments and/or requests for hearing on the Agreement from interested parties and allowing reply comments to be filed by the Joint Petitioners.

On April 8, 2002, Cavalier Telephone, LLC ("Cavalier") filed comments and a request for hearing setting forth three areas of concern with the Agreement. As stated in its comments, Cavalier asserts that: (1) the space preparation charges for physical collocation remain too high; (2) the new system of charges for cross-connects disproportionately punishes newcomers to the market and competitors who do not yet have a large customer base; and (3) power charges remain too high and subject to the discretion of Verizon Virginia in how they are applied.

Cavalier also stated that it has reached an agreement in principle with Verizon Virginia that will settle all salient matters at issue between these two companies in this proceeding. To date, the Commission is not aware of any formal written agreement between Cavalier and Verizon Virginia that would cover these issues in this proceeding; and no withdrawal of its request for a hearing in this matter has been received by the Commission from Cavalier. On April 17, 2002, Verizon Virginia, AT&T, Sprint, and WorldCom filed a Joint Response to Cavalier's comments.

NOW THE COMMISSION, inasmuch as a withdrawal of Cavalier's request for a hearing has not been filed, and upon consideration of the February 1, 2002, Agreement filed by the Joint Petitioners, the comments and request for hearing filed by Cavalier, and the Joint Response filed on April 17, 2002, is of the opinion and finds that a hearing should be convened to consider the three areas of concern raised by Cavalier in its April 8, 2002, comments.

Accordingly, IT IS THEREFORE ORDERED THAT:

- (1) A hearing shall be convened at 10:00 a.m. on June 25, 2002, in a Commission courtroom on the second floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, to hear evidence and argument on the three issues raised by Cavalier in its comments and request for hearing filed on April 8, 2002, and set forth above in this Order, to-wit: (a) space preparation charges; (b) charges for cross-connects; and (c) power charges.
- (2) On or before June 14, 2002, Joint Petitioners, Cavalier, and all other interested parties shall file testimony in this matter relating only to the three issues set forth above. An original and fifteen (15) copies of said testimony shall be filed with Joel H. Peck, Clerk, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218, and one (1) copy shall be served on counsel for all other parties.
 - (3) This matter is hereby continued.